

Schedule CLII - People's Republic of China

PART I - MOST-FAVOURED-NATION TARIFF

SECTION I - B Tariff Quotas

1. Tariff quotas indicated in the third column are volumes for calendar year 2001. Tariff quota concessions will be implemented according to the date specified in the "implementation" column. The implementation column indicates the date (referring to 1 January of the year indicated) when the final quota quantity will be achieved. The tariff quota concessions are subject to equal annual adjustments (occurring on 1 January of each year), unless otherwise specified in the last column ("Other terms and conditions").
2. The People's Republic of China (hereinafter referred to as "China") shall maintain its in-quota applied and bound rates (and, upon removal of the tariff-quota, its applied and bound rates) for HS 1514 (rape or colza (canola) oil and its fractions, whether or not refined, but not chemically modified) at a level equal to that for HS 1507 (soya-bean oil and its fractions, whether or not refined, but not chemically modified) and for HS 1205 (rape or colza (canola) seeds, whether or not broken).
3. The growth rate for the TRQ volume for canola (rapeseed) oil shall be no less than the growth rate for the TRQ volume for soybean oil.
4. An entity granted a tariff quota allocation (quota-holder) may engage in importation through state-trading enterprises and/or through entities possessing the right to trade other than state-trading enterprises, including direct importation by the quota holder, as indicated on documentation issued with the allocation or reallocation of the tariff quota quantities.
5. Application: All applications for an allocation of the tariff-quota will be submitted to the State Development and Planning Commission (SDPC). Specific conditions for applying for a tariff-quota allocation will be published in the official journal one month in advance of the application period, which will be from 15 October to 30 October.
6. Allocation:
 - A. The entire tariff-quota quantity established in Section I-B shall be allocated to end users by 1 January each year. Inquiries regarding tariff-quota allocations can be made to the SDPC, with responses provided within 10 working days. Any additional requirement for importation will be automatic under the terms of the Agreement on Import Licensing Procedures. China shall equitably distribute allocations within each portion of the tariff-quota to ensure complete tariff-quota utilization and to establish a tariff-quota system that is open, transparent, fair, responsive to market conditions, timely, minimally burdensome to trade and reflects end user preferences.
 - B. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria, subject to specific conditions to be published one month in advance of the opening of the application period so as to ensure an equitable distribution and complete tariff-quota utilization. In the first year, no less than 10 % of the tariff-quota reserved for importation through state-trading enterprises will be allocated to new quota-holders.
 - C. In the first year, allocations to end users by the SDPC of the tariff-quota reserved for importation through entities other than state-trading enterprises shall be based on a first-come, first-served system or the requests of the applicants and their historical import performance, production capacity, or other relevant commercial criteria. No less than 10 % of the tariff-quota reserved for importation through entities other than state-trading enterprises will be allocated to new quota-holders. This tariff-quota will be limited to entities that do not receive any special or exclusive rights or privileges, and will include allocations to joint ventures, wholly foreign-funded enterprises, and private enterprises.
 - D. Except in cases where tariff-quota is allocated on a first-come, first-served basis, and in accordance with China's Schedule of Concessions and Commitments on Goods, a quota-holder that has
 - F. Inquiries on the entities which received the allocation can be made to the SDPC which shall provide the information within 10 days.

7. Term: The tariff-quota for each product will be opened on 1 January each year, unless otherwise specified in the Schedule. Tariff-quota allocations will be valid for the calendar year.
8. Reallocation:
 - A. In any year, if a quota-holder has not contracted for the total quantity by 15 September, it shall return the unused portion of the tariff-quota quantity to the SDPC for reallocation.
 - B. Applications for reallocation of the tariff-quota will be accepted by the SDPC from 1 September to 15 September and new allocations shall be assigned by 1 October. Specific conditions for applying for reallocation of tariff quotas will be published in the official journal one month in advance of the application period. Such allocations, which shall be to new applicants and to entities other than those returning quotas under sub-paragraph 8.A. above, will be assigned on a first-come, first-served basis. Quota-holders allocated a share of the tariff-quota reserved for importation through entities other than state-trading enterprises may import through any entity that has a right to trade in any product as specified in Section 5 of China's Protocol of Accession.
 - C. Inquiries on the entities which received the reallocations can be made to the SDPC which will provide the information within 10 days.
 - D. In situations where goods have been shipped from their port of origin before 31 December of any year, but are entered after 31 December of that year, China shall extend the validity of the tariff quota documents and shall count such shipments against the tariff quota allocation for the year in which the tariff quota was initially allocated.
9. Consultations: With a view to maintaining a transparent and open tariff quota system, upon request from any WTO Member, China shall consult with the Member on the administration of the tariff quota to ensure that the tariff quota will be allocated in a transparent, equitable and non-discriminatory manner and that the tariff quota will be fully utilized.

Notes:

1. The share of the tariff-quota reserved for importation through state-trading enterprises is specified in column 7 of Section I-B. The remainder of the tariff-quota quantity is reserved for importation through any non-state trading enterprise possessing the right to trade in any product as set forth in Section 5 of China's Protocol of Accession. In any year, if the quantity of the tariff-quota reserved for importation through state-trading enterprises has not been contracted for by 15 August, quota-holders will have the right to trade or to import through any entity with the right to trade any product under Section 5 of China's Protocol of Accession.
2. China shall ensure that the applied duty for soybean oil, rapeseed oil, palm oil, peanut oil, cottonseed oil, sunflower seed oil, and corn oil is no greater than the applied duty for any one of these oils or for any other vegetable oil. Of the vegetable oils subject to tariff quota (i.e., soybean oil, rapeseed oil, and palm oil), if the tariff-quota for any one oil is autonomously increased, the tariff-quotas for the other two will be increased commensurately. Beginning 1 January 2006, China will remove soybean oil, rapeseed oil and palm oil from Annex 2A of the Protocol of Accession and will grant the right to trade such oils to all individuals and enterprises.
3. All quota holders, that have already fully used or contracted their tariff-quota allocations in any year by 15 September shall also be eligible for reallocation of tariff-quota from other quota holders that have returned their allocations.

Description	HS	Initial quota	Final quota	Implementation	INR	Other
Wheat	10011000 10019010 10019090 11010000 11031100 11032100	7,884,000 mt 1% 1% 1% 6% 9% 10%	9,636,000 mt 1% 1% 1% 6% 9% 10%	2004	AU, CA, US	1) STE share = 90% (See Note 1) 2) Staging of TRQ quantity: Year: TRQ quantity: 2002: 8,468,000 mt 2003: 9,052,000 mt 2004: 9,636,000 mt
Corn	10051000 10059000 11022000 11031300 11042300	5,175,000 mt 1% 1% 9% 9% 10%	7,200,000 mt 1% 1% 9% 9% 10%	2004	AR, US	1) STE share = 71% to 60% (See Note 1) 2) Staging of TRQ quantity: 2002: 5,850,000 mt 2003: 6,525,000 mt 2004: 7,200,000 mt 3) Staging of STE share: 2002 68% 2003 64% 2004 60%
Rice, short and medium grain	10061010x 10061090x 10062000x 10063000x 10064000x 11023000x 11031400x	1,662,500 mt 1% 1% 1% 1% 1% 9% 9%	2,660,000 mt 1% 1% 1% 1% 1% 9% 9%	2004	AU, TH, US, UY	STE share = 50% (See Note 1) 1) Rice products are included in the short & medium grain rice; 2) China confirms that the allocation of the TRQ on rice and rice products in these product classifications shall take into consideration historical trade flows and allocations to end-users. Imports of rice and rice products will be allocated to the full limit of the quota established for each calendar year as determined by demand in the Chinese market.; 3) Quota for short & medium grain rice shall be allocated to state enterprises and to private sectors at a ratio of 50:50 (See Note 1); 4) Staging for the TRQ quantity: Year: TRQ quantity: 2002 1,995,000 mt 2003 2,327,500 mt 2004 2,660,000 mt

Description	HS	Initial quota	Final quota	Implementation	INR	Other
Rice, long grain	10061010y 10061090y 10062000y 10063000y 10064000y 11023000y 11031400y	1,662,500 mt 1% 1% 1% 1% 1% 9% 9%	2,660,000 mt 1% 1% 1% 1% 1% 9% 9%	2004	AU, TH, US, UY	STE share = 50% (See Note 1) 1) Rice products are included in the long grain rice.; 2) China confirms that the allocation of the TRQ on rice and rice products in these product classifications shall take into consideration historical trade flows and allocations to end-users. Imports of rice and rice products will be allocated to the full limit of the quota established for each calendar year as determined by demand in the Chinese market.; 3) Quota for long grain rice shall be allocated to state enterprises and to private sectors at a ratio of 50:50 (See Note 1); 4) Staging for the TRQ quantity: Year: TRQ quantity: 2002 1,995,000 mt 2003 2,327,500 mt 2004 2,660,000 mt
Soybean oil	15071000 15079000	2,118,000 mt 9% 9%	3,587,100 mt 9% 9%	2005	AR, BR,	1) STE share = 42% to 10% (See Notes 1 and 2); 2) Staging for soybean oil Year: TRQ quantity: 2002 2,518,000 mt 2003 2,818,000 mt 2004 3,118,000 mt 2005 3,587,100 mt Staging of STE share: Year: share: 2002 34% 2003 26% 2004 18% 2005 10% Tariff quotas to be eliminated on 1 January 2006

Description	HS	Initial quota	Final quota	Implementation	INR	Other
Palm oil	15111000 15119000	2,100,000 mt 9% 9%	3,168,000 mt 9% 9%	2005	BR, CR, MY, SG	1) STE share=42% to 10% (See Notes 1 and 2) 2) Staging of TRQ for palm oil: Year: TRQ quantity: 2002 2,400,000 mt 2003 2,600,000 mt 2004 2,700,000 mt 2005 3,168,000 mt Staging of STE share: Year: share: 2002 34% 2003 26% 2004 18% 2005 10% Tariff quotas to be eliminated on 1 January 2006; 3) China agrees to provide adequate opportunities in increasing the established import quota levels of TRQs for palm oil in case of an excessive demand for palm oil within China that is over and above that of the present TRQs as evidenced by the complete utilisation of TRQs for palm oil in the previous year.; 4) Any adjustments to tariffs, import quota levels of TRQs, import rights (with respect to state trading enterprises) and implementation period resulting from the conclusion of future bilateral negotiations with other oils and fats exporting countries for other oils and fats, shall see a corresponding adjustment for palm oil as well.
Rape-seed oil	15141010 15141090 15149000	739,200 mt 9% 9% 9%	1,243,000 mt 9% 9% 9%	2005	AU, BR, CA, CE15, SG	1) STE share = 42% to 10% (See Notes 1and 2); 2) Staging for rape-seed oil Year: TRQ quantity: 2002 878,900 mt 2003 1,018,600 mt 2004 1,126,600 mt 2005 1,243,000 mt Staging of STE share: Year: share: 2002 34% 2003 26% 2004 18% 2005 10% Tariff quotas to be eliminated on 1 January 2006

Description	HS	Initial quota	Final quota	Implementation	INR	Other
Sugar	17011100 17011200 17019100 17019910 17019920 17019990	1,680,000 mt 20% 20% 20% 20% 20%	1,945,000 mt 15% 15% 15% 15% 15%	2004	AU, BO, BR, CO, CR, CU, DO, GT, HN, NI, PA, TH	1) STE share=70% (See Note 1) 2) Annual growth rate for the quota volume of sugar is 5%.; 3) China agrees to provide adequate opportunities for consultations in case of an excessive re-export of China and it shall fully take into account the sugar from concerns of WTO Members in this regard.; 4) Staging for sugar: Year: TRQ quantity: 2002 1,764,000 mt 2003 1,852,000 mt 2004 1,945,000 mt 5) The in-quota tariff rate will remain at 20% from the date of accession until 31 December 2003, whereupon the 15% tariff will take effect on 1 January 2004.
Wool	51011100 51011900 51012100 51012900 51013000 51031010	253,250 mt 1% 1% 1% 1% 1%	287,000 mt 1% 1% 1% 1% 1%	2004	AU, CL, CO, NZ, UY	1) China agrees that in relation to distribution of import and export licences and tariff quotas for wool, foreign individuals and enterprises, foreign-funded enterprises and joint ventures will be accorded treatment no less favourable than that accorded to other individuals and enterprises. 2) Staging for wool: Year: TRQ quantity: 2002 264,500 mt 2003 275,750 mt 2004 287,000 mt
Cotton	52010000 52030000	780,750 mt 1% 1%	894,000 mt 1% 1%	2004	AU, CO, US	1) STE share = 33% (See Note 1) 2) Staging for cotton Year: TRQ quantity: 2002 818,500 mt 2003 856,250 mt 2004 894,000 mt